

**Senate File 373 - Introduced**

SENATE FILE 373

BY ERNST

**A BILL FOR**

1 An Act providing an exemption from the computation of the  
2 individual state income tax of all pay received for military  
3 service and including retroactive applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, Code 2011, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 42A. Subtract, to the extent included, all  
4 pay received by the taxpayer for military service, including  
5 training, in the armed forces, the armed forces military  
6 reserve, or the national guard.

7 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies  
8 retroactively to January 1, 2011, for tax years beginning on  
9 or after that date.

10 EXPLANATION

11 This bill exempts from the individual income tax all  
12 pay received by a taxpayer for military service, including  
13 training, in the armed forces, the armed forces military  
14 reserve, or the national guard.

15 The bill applies retroactively to January 1, 2011, for tax  
16 years beginning on or after that date.